

FISCAL NOTE
HB 91 - SB 62
FIRST EXTRAORDINARY SESSION

April 9, 1999

SUMMARY OF BILL: Assesses a surcharge in the amount of one half of one percent (.005%) on the total taxable payroll as determined for unemployment compensation for the fiscal year or calendar year as appropriate on employers who do not make health insurance available to their employees. Allows 100 percent credit for the surcharge if an employer makes health insurance available to their employees. Provides that the surcharge be allocated to TennCare to provide insurance coverage to the uninsured Tennesseans.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - \$19,000,000/TennCare

**Increase State Expenditures - \$479,000 Recurring
\$118,100 One-Time**

Estimate assumes:

- increased state revenues earmarked for the TennCare program.
- 90.6% of employers with 20 or more employees make medical insurance available to their employees and 50% of employers with 20 or fewer employees provide health insurance for their employees.
- based on a survey of 8,000 employers conducted by the research department of the Department of Employment Security.
- increased expenditures to the Department of Employment Security for the collection of the surcharge, and one-time expenditures for computer program modifications to implement the collection process.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director